

REMARKS

This Application has been carefully reviewed in light of the Office Action mailed January 13, 2003. No claims have been amended. Applicants request reconsideration and favorable action in this case.

SECTION 101 REJECTION

The Examiner rejects Claims 1-38 and 40 under 35 U.S.C. § 101, stating that the claimed invention is directed to non-statutory subject matter. The Examiner states that this determination is based on a two-prong test of whether the invention (1) is within the technological arts, and (2) produces a useful, concrete and tangible result. Applicants traverse these rejections for reasons stated below.

The rejection of Claims 1-38 and 40 under § 101 is inappropriate because the Examiner applied an outdated standard. The two-prong approach set forth by the Examiner, which requires the invention to be within "the technical arts," stems from a 33-year old decision of *In Re Musgrave*, 167 U.S.P.Q. 280 (C.C.P.A. 1970). Since then, the law on § 101 has been updated more than once through recent decisions, such as *State Street Bank and Trust Company v. Signature Financial Inc.*, 47 U.S.P.Q. 2d 1596 (Fed. Cir. 1998) and *AT&T Corp. v. Excel Communications Inc.*, 50 U.S.P.Q. 2d 1447 (Fed. Cir. 1999), handed down by the subsequently established Court of Appeals for the Federal Circuit. In fact, the updated legal standard concerning § 101 has been clearly summarized in a presentation titled "35 U.S.C. 101 Training Materials," which is presented by the USPTO as a training material for its examiners and available on the USPTO web site (see <http://www.uspto.gov/web/menu/pbmethod/trangmaterials.ppt>). A copy of the presentation is enclosed with this response for the convenience of the Examiner.

The updated § 101 standard, as taught in the USPTO presentation, is that although an abstract idea by itself never satisfies the requirement of 35 U.S.C. § 101, an abstract idea, when practically applied to produce a useful, concrete and tangible result, satisfies § 101 (see page 15 of the attached presentation). This standard sets forth no requirement that the invention must be within "technical arts." Rather, the standard simply requires that an abstract idea have a practical application that produces a useful, concrete and tangible result.

Claims 1, 12, 23, and their respective dependent Claims 2-11, 13-22, and 24-31 meet the current § 101 standard.¹ While conceding that the invention produces a useful and tangible result ("In the present case, making hotel reservations is seen to be useful and tangible for one who wishes to sleep indoors in a locality in which one does not have a home."), the Examiner continues to reject these claims for the sole stated reason that the invention is not within the technological arts, which is a requirement found in the outdated § 101 standard and not in the current standard. Because the "technological arts" requirement is no longer a part of the current § 101 standard, such a reason cannot be a proper basis of a § 101 rejection.

An example of a practical application is provided in *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F.3d 1368 (Fed. Cir. 1998). The invention in *State Street* is a data processing system for implementing an investment structure to maximize return on investment while minimizing tax liability. The system transforms data, representing discrete dollar amounts, into a final share price using a computer that makes mathematical calculations. In holding that this invention is a statutory subject matter, the Court stated that a computer programmed to transform dollar amounts into a final share price through a series of mathematical calculations does, in fact, constitute the practical application of a mathematical algorithm because it produces "a useful, concrete and tangible result." (i.e. the final share price upon which investors and their brokers can make investment decisions.) See *State Street*, 149 F.3d at 1374-75.

The practical applications of Claims 1, 12, and 23 are even more explicitly set forth than that of *State Street*. Whereas the practical application of *State Street* is an inevitable conclusion that investors make investment decisions using a final share price formulated from mathematical algorithms, the practical applications in this case are explicitly recited by Claims 1, 12, and 23. For example, a reservation engine of Claim 1 has a practical application because it is operable to "create a reservation according to the reservation request," as recited by Claim 1. Claim 12 recites a practical application of "creating a reservation according to the reservation request." The reservation engine of Claim 23 has a practical application because it is operable to "complete a transaction associated with [an] item [that is associated with a generic item listing generated from one or more parameters in a

¹ Applicants do not concede that these claims include abstract ideas. Rather, Applicants simply assert that these claims have one or more practical applications and produce useful, concrete, and tangible results, as required by

request]." Further, *State Street's* determination that its invention has a practical application appears to be from the conclusion that it produces a useful, concrete, and tangible result (*State Street*, 149 F.3d at 1374-75 states that a mathematical algorithm has a practical application because it produces a useful, concrete and tangible result). Thus, the Examiner's concession that the inventions of Claims 1, 12, and 23 in fact produce a useful and tangible result operates as a concession that these inventions also have practical applications. In light of these reasons, Claims 1, 12, 23, and their respective dependent claims 2-11, 13-22, and 24-31 meet the current § 101 standard and are allowable. Favorable action is requested.

Claims 32-38 and 40 also meet the current § 101 standard. The Examiner rejects these claims under the outdated § 101 standard, stating that the invention is not within the technological arts and does not produce a useful, concrete and tangible result. Whether the invention is within the technical art is a moot issue in light of the current § 101 standard. As stated above, the correct § 101 standard is whether the invention has a practical application that produces a useful, concrete and tangible result, and the inventions of Claims 32-38 and 40 indeed meet these requirements. An example of a practical application of the invention claimed by Claim 32 is "completing a transaction according to the request [for an item associated with a generic item listing, the generic item listing generated from one or more parameters included in an item availability request]," as recited by Claim 32. This specifically recited practical application shows that an abstract idea, if any, that may be present in Claim 32 is functionally interrelated to a practical and useful result, which renders the use of such abstract idea in a process patentable. This expressly stated practical application also satisfies the usefulness requirement. (. . . only one [practical application] is necessary to satisfy the "useful" requirement under 35 U.S.C. § 101 – page 16 of the attached presentation). Further, the invention of Claim 32 produces a concrete and tangible result of completing a transaction. Because all of the requirements set forth in the updated § 101 standard are fully satisfied, Claims 32 and its dependent claims 33-40 are allowable. Favorable action is requested.

If the Examiner continues to reject Claims 1-38 and 40 under § 101, Applicants respectfully request that the Examiner specifically point out the element of the updated § 101 standard that is not met and explain why.

§ 101, and thus are statutory subject matters.

SECTION 112 REJECTION

The Examiner rejects Claims 32-40 under 35 U.S.C. § 112, second paragraph, as being indefinite because the phrase "an item associated with a generic item" is allegedly indefinite.

The §112 rejection of Claim 32 is improper because the identified phrase, when read in its entirety, clearly sets forth the metes and bounds of the claim limitation. In fact, Claim 32 recites ". . . receiving a request for a description of an item associated with a generic item *listing*" [emphasis added]. Applicants respectfully submit that the plain language of this claim limitation, on its face, clearly conveys to one skilled in the art the metes and bounds of a claim limitation of Claim 32. Further, a "generic hotel listing," which is an example of a "generic item listing," is described in one embodiment as a list that includes a generic name of "Major Brand Hotel" and a general location, such as "downtown" (See page 8, lines 19-25 and page 10, lines 20-27 of the present application). Thus, one skilled in the art would not consider the phrase "generic item listing" as indefinite and Claim 32 is allowable. Further, as depending from allowable independent Claim 32, dependent claims 33-40 are also allowable. Favorable action is requested.

SECTION 103 REJECTIONS

Claims 1-3, 6-7, 11-14, 17-18, 22-25, 28, 32-34, 37, and 40 are rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Number 5,732,398 issued to Tagawa ("*Tagawa*") in view of the Priceline article ("*Priceline*"). Claims 4-5, 8-9, 15-16, 19-20, 26-27, 29, 35-36, and 38 are rejected under 35 U.S.C. § 103(a) as being unpatentable over *Tagawa* in view of *Priceline* and further in view of U.S. Patent Number 5,832,452 issued to Schneider, et al. ("*Schneider*"). Claims 10, 21, 30, and 39 are rejected under 35 U.S.C. § 103(a) as being unpatentable over *Tagawa* in view of *Priceline* and further in view of Isaacson, et al (WO00/19351) ("*Isaacson*"). Applicants traverse these rejections for the reasons stated below.

Claim 1 is allowable over the combination of *Tagawa* and *Priceline* because the combination does not teach or suggest "a reservation engine operable to . . . communicate a list of the hotels meeting the parameters, the list including at least one generic hotel listing; receive a reservation request for a hotel associated with a generic hotel listing; and create a reservation according to the reservation request," as recited by Claim 1. Although the

Examiner concedes that a list including at least one generic hotel listing is not disclosed by *Tagawa*, the Examiner asserts that *Priceline* shows the missing limitation. This is incorrect. Instead, *Priceline* teaches receiving from *a customer* the quality level of the hotel and a bid amount for the hotel. When a hotel meeting the quality level requested by the customer accepts the bid amount, the reservation is immediately made without further input from the customer. *Priceline* does not teach a reservation engine operable to communicate *a generic hotel listing of hotels that meet a previously received parameter*, receive a reservation request for a hotel associated with the communicated generic hotel listing, and create reservation according to the request. Thus, Claim 1 is allowable. Reconsideration and favorable action are requested.

The Examiner also states that the limitation conceded by the Examiner as missing is "seen as a non-functional descriptive material not bearing any patentable weight." However, this issue is irrelevant for a § 103(a) determination. The consideration of whether a claim element recites non-functional descriptive material is only relevant to whether the claim is statutory under 35 U.S.C. § 101. If a claim meets this burden (which these claims do, as described above), no portion of the claim can be ignored as being "non-functional descriptive material." Thus, even if this limitation did recite non-functional descriptive material, which it does not, the § 103 rejection of Claim 1 on this basis is improper.

For reasons analogous to those provided in conjunction with the discussion of Claim 1, Claims 12, 23, and 32 are also allowable. Your consideration and favorable action are requested.

Furthermore, as depending from allowable independent Claims 1, 12, 23, and 32, their respective dependent Claims 2-11, 13-22, 24-31, and 33-40 are also allowable. Reconsideration and favorable action are requested.

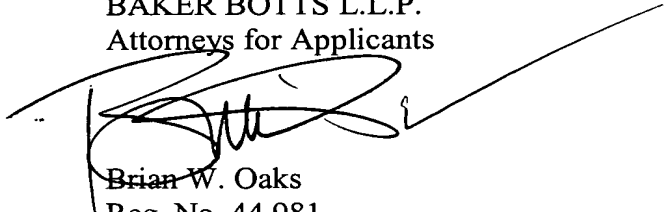
CONCLUSION

Applicants have made an earnest attempt to place this case in condition for allowance. For the foregoing reasons, and for other reasons clearly apparent, Applicants respectfully request full allowance of all pending Claims.

If the Examiner feels that a telephone conference would advance prosecution of this Application in any manner, the Examiner is invited to contact Brian W. Oaks, Attorney for Applicants, at the Examiner's convenience at (214) 953-6986.

Although no fees are believed due, the Commissioner is hereby authorized to charge any fees or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,
BAKER BOTTS L.L.P.
Attorneys for Applicants


Brian W. Oaks
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Date: April 10, 2003

CORRESPONDENCE ADDRESS:

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35 U.S.C. 101 Training Materials

Presented by
Vincent Millin, Tariq Hafiz, Jim Trammell and
Robert Olszewski



1

35 U.S.C. Section 101 reads:

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title."

2



Translation:

35 U.S.C. 101 defines statutory subject matter as "any new and useful process, machine, manufacture or composition of matter, or any new and useful improvement thereto."

3



Anything Under the Sun.....



The Supreme Court acknowledged that Congress, through legislative history, intended statutory subject matter to **"include anything under the sun that is made by man."** See *Diamond v. Chakrabarty*, 447 U.S. 303, 309; 206 USPQ 193, 197 (1980).

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Exceptions

Despite the apparent sweep of Section 101, the Supreme Court has specifically identified three categories of nonstatutory subject matter:

- laws of nature
- natural phenomena, and
- abstract ideas.

These are not categories of invention. See *Diamond v. Diehr*, 450 U.S. at 175, 209 USPQ 1 (1981).

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Mathematical Algorithms *per se*

Mathematical algorithms *per se* that stand alone and are not reduced to a practical application represent nothing more than an abstract idea.

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From Abstract Idea to Patentable Subject Matter

7



Practical Application

When an abstract idea is reduced to
a practical application, the abstract
idea no longer stands alone if.....

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Useful, Concrete and Tangible

....the practical application of the abstract idea produces a **useful, concrete and tangible result**. This then satisfies the requirements of 35 U.S.C. 101. *In re Alappat*, 31 USPQ 2d 1545, 1558 (Fed. Cir. 1994); *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998).

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State Street Bank & Trust Co. v. Signature Financial Group Inc.



The Invention:

The patent claims recite a data processing system for implementing a hub and spoke investment structure to maximize return on investment while minimizing tax liability. The system transforms data, representing discrete dollar amounts, into a final share price using a machine (computer) that makes a series of mathematical calculations.

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State Street - The Bottom Line

The Courts held that a machine (computer) programmed to transform data which represents discrete dollar amounts into a final share price through a series of mathematical calculations does, in fact, constitute the practical application of a mathematical algorithm, formula, or calculation because it produces "a useful, concrete and tangible result" i.e. the final share price upon which investors and their brokers can make investment decisions. See *State Street*, 149 F.3d at 1374-75, 47 USPQ 2d at 1602.

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More on State Street

A process, machine, manufacture, or composition of matter employing a law of nature, natural phenomenon, or abstract idea may be patentable subject matter even though a law of nature, natural phenomenon, or abstract idea would not, by itself, be entitled to such protection. See *State Street*.

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AT&T Corp. v. Excel Communications, Inc.

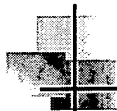


The Invention:

The patent claims a process that uses Boolean algebra to derive a value that is used to generate a message record (PIC) of long distance telephone calls between subscribers and their call recipients, that value being used to create a signal useful for billing credit purposes when the caller and the call recipient both subscribe to the same long distance carrier.

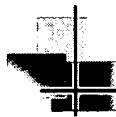
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AT&T - The Bottom Line



The Court held that the claims constituted patentable subject matter under 35 U.S.C. 101 even though the billing value was derived using a simple Boolean mathematical principle. The Court noted that the patent does not claim the Boolean principle nor try to preclude its use in any other application, and that the "process applies the Boolean principle to produce a useful, concrete, tangible result without preempting other uses of mathematical principle." See *AT&T Corp. V. Excel Comm. Inc.* 50 USPQ2d 1447, 1452 (Fed. Cir. 1999). The useful result is lower long distance bills when calling people who use the same long distance service provider.

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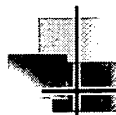
What Does All This Mean??

An abstract idea by itself never satisfies the requirements of 35 U.S.C. 101.

However...

...an abstract idea when practically applied to produce a useful, concrete and tangible result satisfies Section 101.


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Can Have More than One Practical Application

Applicant may assert more than one practical application, but only one is necessary to satisfy the utility requirement under 35 U.S.C. 101.

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Steps carried Out in the Human Mind OK if Useful, Concrete and Tangible Result Produced

A method or process remains statutory even if some or all of the steps therein can be carried out:

- ❖ in the human mind
- ❖ with the aid of the human mind, or
- ❖ because it may be necessary for one performing the method or process to think. *In re Musgrave*, 431 F.2d 882, 893; 167 USPQ 280, 289 (CCPA 1970)

The key is that a useful, concrete and tangible result must be produced.

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The Test for Patent Eligibility

The fundamental test for patent eligibility is to determine whether the claimed invention produces a “useful, concrete and tangible result.” The test for practical application as applied by the examiner involves the determination of the following factors:

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"Useful"

The Supreme Court in *Diamond v. Diehr* requires that the examiner look at the claimed invention as a whole and compare any asserted utility with the claimed invention to determine whether the asserted utility is accomplished. Applying utility case law the examiner will note that:

- (a) the utility need not be expressly recited in the claims, rather it may be inferred;
- (b) if the utility is not asserted in the written description, then it must be well established;
- (c) a specific, substantial and credible utility must be accomplished.

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"Concrete"

Another consideration is whether the invention produces a "concrete" result. Usually, this question arises when a result cannot be assured. An appropriate rejection under 35 U.S.C. 101 should be accompanied by a lack of enablement (35 U.S.C. 112 first paragraph) rejection, because the invention cannot operate as intended without undue experimentation.

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"Tangible"

Applying *In re Wamerdam*, 33 F.3d 1354; 31 USPQ2d 1754 (Fed. Cir. 1994), the examiner will determine whether there is simply a mathematical construct claimed, such as a disembodied data structure and method of making it. If so, the claim involves no more than a manipulation of an abstract idea and therefore, is nonstatutory under 35 U.S.C. 101. In contrast, a claimed computer-readable medium encoded with a data structure defines structural and functional interrelationships between the data structure and the computer software and hardware components which permits the data structure's functionality to be realized, and is statutory.

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Example of Useful, Concrete and Tangible

The disclosure describes a method for convening a group of people in a room and brainstorming to generate ideas for reducing the number of patent applications physically located in a particular Technology Center. After the ideas are generated, the best ideas are determined by multivoting within the group. Then, multivoting is again used to sequence the best ideas into a series of steps forming a scheme to reduce the number of applications. Finally, the steps of the scheme are implemented.

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Example (cont.)

Claim 1. A method comprising the steps of:
(a) convening people in a room; and
(b) brainstorming to generate a series of steps forming a scheme for reducing the number of patent applications pending in the Technology Center.

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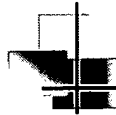


Example (cont.)

Analysis of claim 1:

The claim merely manipulates an abstract idea without producing a "useful, concrete and tangible result." Claim 1 would be rejected under 35 U.S.C. § 101 as being directed to nonstatutory subject matter. C.f. *In re Schrader*, 30 USPQ2d 1455 (Fed. Cir. 1994) and *In re Wamerdam*, especially claims drawn to a method of making a disembodied data structure in *Wamerdam*.

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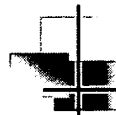
Example (cont.)

Claim 2. The method of claim 1, further comprising the step of:
(c) prioritizing ideas in formulating the scheme.

Analysis of claim 2:

Claim 2 does not produce a useful, concrete and tangible result. The claim is nonstatutory.

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Example (cont.)

Claim 3. The method of Claim 1, further comprising the step of:
(c) implementing the steps of the scheme.

Analysis of claim 3:

If the utility can be assured, then the method produces a concrete, tangible and useful result. If the result is speculative and it would require undue experimentation to produce the concrete result, claim 2 would be rejected both under 35 U.S.C. § 101 and § 112, 1st paragraph [lack of enablement].

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Functional vs. Non-Functional Descriptive Material

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Functional Descriptive Material

- per se is not statutory. C.f. *In re Wamerdam*, disembodied data structure claim.
- In combination with a computer readable medium so as to be capable of producing a useful, concrete and tangible result when used in a computer system is statutory i.e., a set of instructions in combination with a computer system. C.f. *In re Wamerdam* - data structure stored in a computer memory, and *In re Lowery*, 32 USPQ2d 1031 (Fed. Cir. 1994) - data structure in a computer readable medium.

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Translation:

A claim to a computer readable medium encoded with functional descriptive material that can function with a computer to effect a practical application that results in a useful, concrete and tangible result (i.e. running an assembly line or executing a stock transaction) satisfies Section 101. See U.S. Patent 5,710,578 to Beauregard et al.

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Examples of Statutory Functional Descriptive Material

- A claimed computer-readable medium encoded with a functional data structure – this defines structural and functional relationships between the data structure and the hardware/software components. See *Wamerdam*.
- A claimed computer-readable medium encoded with a computer program - this defines structural and functional relationships between the computer program and the computer itself which allows the program's functionality to be realized provided that a useful, concrete and tangible result is realized. See U.S. Patent 5,710,578 to Beauregard et al.

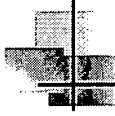
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Non-Functional Descriptive Material

- *per se* is not statutory i.e. abstract idea
- Not statutory even if in combination with a computer-readable medium
 - ❖ No useful, concrete or tangible result is produced

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Examples of Non-Functional Descriptive Material

- | | |
|---------------------------|--------------------------------------|
| ■ Music | ■ Mere arrangements of facts or data |
| ■ Literature | ■ Share price on a disk |
| ■ Art | |
| ■ Photographs | |
| ■ Data base <i>per se</i> | |

These are merely stored to be read or outputted by a computer without any functional interrelationship, and thus do not impart functionality to the computer, i.e., they are not computer components.

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Examples of Non-Functional Descriptive Material *per se*

Sample Claim 1


A warranty comprising:

a first section describing what is covered by the warranty;

A second section describing what is not covered by the warranty.

A warranty is just descriptive material *per se*. The same applies for claim language such as "A contract comprising...", and "An invoice produced by a computer, the invoice comprising..." The claimed invention taken as a whole does not produce a useful, concrete and tangible result.

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Examples of Non-Functional Descriptive Material

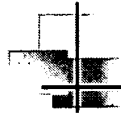
Sample Claim 2

A data structure encoded on a computer readable medium comprising:

A first field having data of the age of a customer; a second field having data describing the products the customer buys; and a third field having a numeric value indicating the likelihood that the customer would buy similar products.

This is simply a data file – no functional change occurs when an application program uses the structural data. See *In re Lowery*.

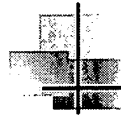
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Data Structure - Definition

A data structure is a physical or logical relationship among data elements, designed to support specific data manipulation functions. See The New IEEE Standard Dictionary of Electrical and Electronics Terms 308 (5th Ed. 1993).

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Signals

IEEE has a plurality of definitions of a signal that include:

- A physical embodiment of a message
- A physical representation of data
- The physical representation which conveys data from one point to another

***Note that these definitions require a physical existence, however, physical existence does not equal physical structure**

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Signals

- Signals *per se* are not statutory subject matter.
- The combination of signals with statutory physical structure may be statutory subject matter if a useful, concrete and tangible result is produced. See Koo Patent, U.S. Patent Number: 5,568,202.

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Signals *per se*

- Have no tangible physical structure
 - ❖ a signal that is not tied to any physical structure for transmitting or receiving the signal
- Do not perform any useful, concrete and tangible result
- Do not constitute a tangible physical article or some form of matter
 - ❖ a signal that does not have any physical characteristics

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Signals

When a signal is coupled with or combined with a statutory physical structure to produce a useful, concrete and tangible result, the combination constitutes statutory subject matter.

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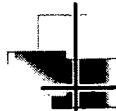
Signal Claims

Does PTO grant patents on signal claims?

Koo patent

- *U.S. Patent Number:* 5,568,202
- *Title:* System for Echo Cancellation
Comprising an Improved Ghost Cancellation
Reference Signal
- *Inventor:* David Koo
- *Assignee:* North American Philips Corporation

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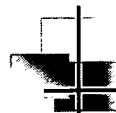


Koo Patent Claim

Claim:

- An electronic reference signal in a system for minimizing the effects of ghosts occurring during the transmission and reception of a television signal over a communications path, wherein said reference signal is embodied in a processor readable memory, is non-cyclic, has a substantially flat frequency response within the bandwidth of said communications path and has a plurality of substantially uniform amplitude peaks over a time interval, and wherein a replica of said reference signal is transmitted as part of said television signal and is utilized by a decoder to derive coefficients which are used with at least one filter to remove said ghosts.

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Koo Patent (Continued)

Prosecution History of Koo Patent

- Board of Patent Appeals and Interferences affirmed examiner's rejection of two-hump signal claims as being non-statutory under Section 101.
- Koo appealed to the Federal Circuit
- Case remanded to PTO to permit Koo to amend claims to incorporate signal in computer-readable memory

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Signal Example

Claim 1

An assembly of transmitted signals wherein said signals carry encoded instructions to be read by a receiver; said assembly of signals arranged to be transmitted to a receiver.

Claim Analysis

The claim calls for an assembly of signals *per se* and is nonstatutory. The scope of the claim only intends the signal to be transmitted to a receiver – there is no combination of the signal with statutory physical structure (the transmitter is not actually claimed)

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Signal Example

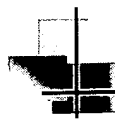
Claim 2

A reference signal containing an arrangement of information; said reference signal is embodied in a processor readable memory.

Claim Analysis

The example may be statutory if the signal is in combination with a physical statutory structure (the readable memory) and a useful, concrete and tangible result is provided. Claims to data structure (signals) stored in a memory are statutory subject matter because of the statutory nature of the memory. *In re Lowry*, 32 USPQ2d 1031 (Fed. Cir. 1994).

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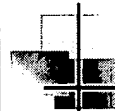
How Case Law has Changed

In re Schrader, 30 USPQ2d 1455
(Fed. Cir. 1994)

Case Summary in 1994 Decision

The claims in *Schrader* are directed to a method of competitively bidding on a plurality of related items, such as contiguous tracts of land. The CAFC concluded that the claims were properly rejected for lack of statutory subject matter under Section 101.

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The CAFC in *Schrader* Stated....

Their reasoning being that a mathematical algorithm was implicit in the claims which, even though it may not have implied any more than a step of summing, describes the solving of a mathematical problem and since the algorithm is not applied to or limited by physical elements or process steps, no physical change, effect or result occurred. Thus, this was insufficient to impart patentability. See *Schrader*.

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Then State Street Came Along...

After the 1998 *State Street* decision, the CAFC in *AT&T v. Excel Communications*, 50 USPQ2d 1447, 1453 (Fed. Cir. 1999) took the opportunity to comment on the Court's prior decision in *Schrader*.

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The CAFC in AT&T Stated...

The Court in *Schrader* did not focus on "whether the mathematical algorithm claimed was applied in a practical manner since it ended its inquiry before determining whether a **useful, concrete and tangible** result ensued. Thus, in light of our recent understanding of the issue, the *Schrader* court's analysis is as unhelpful as...". See *AT&T v. Excel Communications*, 50 USPQ2d at 1453 (Fed. Cir. 1999).

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Useful, Concrete and Tangible is the Test

The Bottom Line:

Useful, concrete and tangible is the current test for satisfying the practical application requirements of Section 101 with respect to computer-implemented inventions.

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Use the 101 Help Panel

If you have any questions – ask the
101 help panel!



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